



Office of Gov. Dennis Daugaard

500 E. Capitol Ave.

Pierre, S.D. 57501

(605) 773-3212

www.state.sd.us

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CONTACT: Joe Kafka or Tony Venhuizen at 605-773-3212

Governor Daugaard Vetoes HB1146

PIERRE, S.D. – Gov. Dennis Daugaard has vetoed the following bill:

HB1146 – An Act to limit co-payment or co-insurance amounts for chiropractic services.

For more information about this and other bills, please visit www.legis.state.sd.us

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Note: A copy of Governor Daugaard's veto message follows.

March 9, 2011

The Honorable Val Rausch
Speaker of the House of Representatives
500 East Capitol Avenue
Pierre, SD 57501-5070

Dear Mr. Speaker and Members of the House of Representatives:

I herewith return to you House Bill 1146 with my VETO.

House Bill 1146 is entitled, "An Act to limit copayment or coinsurance amounts for chiropractic services."

I ask you to sustain this veto because HB 1146 limits consumer choice, acts as another unnecessary government mandate, and may create a new, substantial ongoing expense for the state.

House Bill 1146 prohibits insurance companies from offering policies that charge higher copays for chiropractic care than for primary physician care. As a result, consumers and employers would not be allowed to choose policies with varying chiropractic copays. This means fewer, more expensive choices for purchasers of health insurance.

If enacted, this bill adds to an already extensive list of 23 mandates in law relating to health insurance coverage. Another health insurance mandate restricts the ability of health plans, including the state employee plan, to negotiate rates with separate health care provider groups such as physicians, dentists, and hospitals. Every mandate is one additional item that is not subject to negotiation, meaning higher costs for plan members.

Furthermore, the bill could create a new, substantial ongoing expense for the state. The Federal Patient Protection and Affordable Care Act requires the state to pay any benefits over and above “essential benefits”, a term that is still undefined. If lower chiropractic care copays are not considered “essential benefits”, a distinct possibility, the state would be required to pay them.

Lastly, the phrase “or practitioner for the same or similar diagnosed condition” is unclear as to what types of treatment must be subject to equal copayments. Would surgical treatment for a back injury be subject to the same copayments as chiropractic care for the same diagnosed condition? The bill as written lacks the necessary statutory clarity.

Therefore, in order to prevent higher health insurance premiums and avoid a significant future financial liability for the State of South Dakota, I respectfully request that you sustain my veto.

Respectfully submitted,

Dennis Daugaard
Governor

cc: The Honorable Matt Michaels
The Honorable Jason Gant